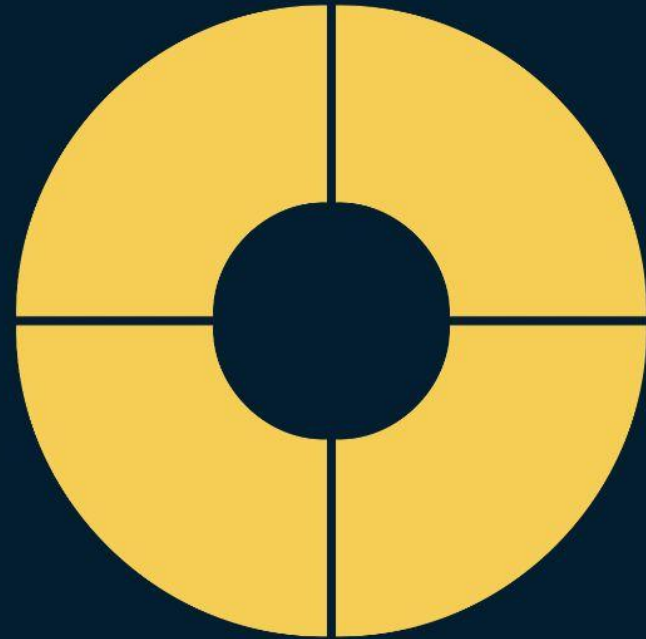


# Q4 and full year 2023

Kjetil Bakke Eriksen, Interim CEO

Ida Amalie Oma, CFO



15. februar 2024 - Oslo

# Our agenda

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Highlights

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Outlook

# Kjetil Bakke Eriksen

## Webstep interim CEO

- **Kjetil B. Eriksen interim CEO from november 19th 2023**  
Eriksen has extensive experience with Webstep as the former chair of the Board (22-23), board member, previously CEO of Webstep (06-19) and regional leader of Webstep Oslo (04-06)
- **Mr Eriksen has profound insight** into Webstep and the industry. He will serve as CEO until a new leader is in place and a thorough handover has been completed.





## Highlights from the quarter

# Highlights

*Milestone NOK 1 billion full year revenues - cost reduction program implemented - EBIT affected by 35 MNOK in one-off costs*

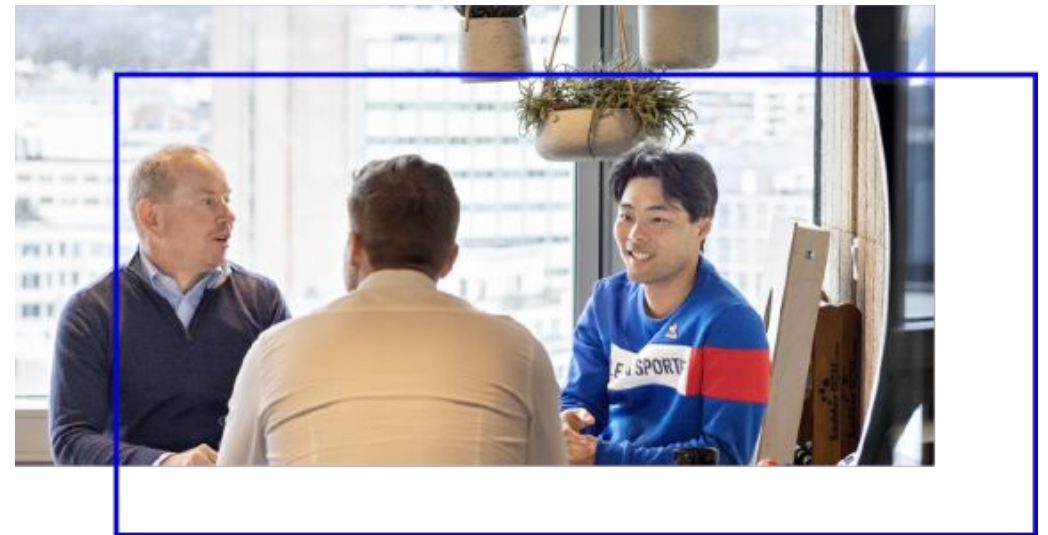
- **Revenue**
  - **Q4** 262.1 MNOK (+6.4%)
  - **FY 2023** 1,000.0 MNOK (+12.6%)
- **EBIT adjusted for one-off costs**
  - **Q4** 8.3 MNOK (-29.6%)
  - **FY 2023** 53.5 MNOK (-2.2%)
- **EBIT actual**
  - **Q4** - 26.7 MNOK (-326.9%)
  - **FY 2023** 18.5 MNOK (-66.2%)
- **One-off costs 35 MNOK**
  - Severance package for downsizing 11 non-billable FTEs and change of CEO, 10 MNOK
  - Impairment of goodwill Webstep Sweden, 25 MNOK
- **Costs Webstep Norway**
  - The temporary increase in employer contribution results in higher costs for Webstep Norway, 4.6 MNOK for Q4 and 9.0 MNOK for FY 2023
- **Cost reduction program implemented**
  - Estimated total cost reduction 21-25 MNOK, full year effect 2024 minimum 21 MNOK
- **Dividend proposal** of NOK 1.00 per share



# Profitability in focus

*Cost reduction program - estimated full year cost reduction at minimum 21 MNOK for 2024*

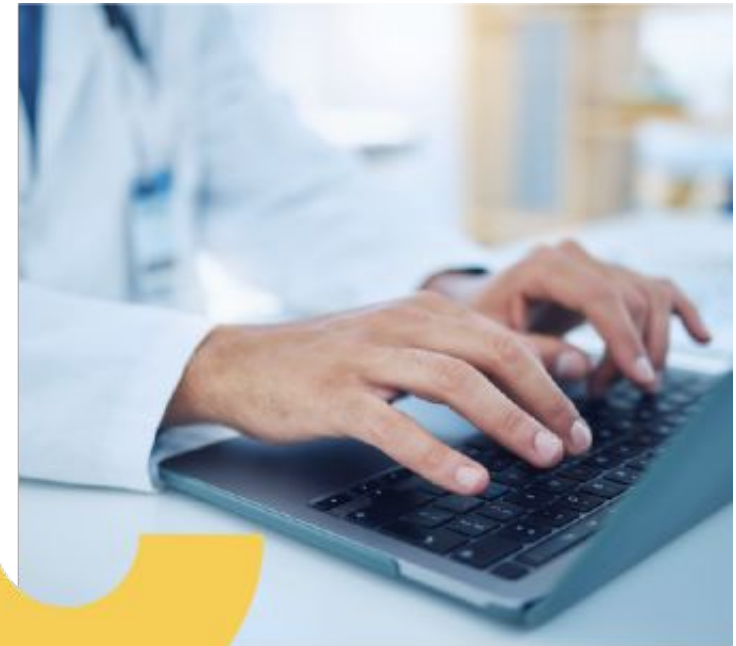
- **Downsizing non-billable FTEs**
  - Total reduction of 11 non-billable FTEs for the Group
- **The temporary increase in the Norwegian employer contribution**
  - From 2024 50% of full year costs covered by the consultants and the rest covered by Webstep, estimated cost reduction from 2023 at 3.5 MNOK
  - From 2024 the costs will be accrued throughout the year in the financial statements
- **Measures for the Group**
  - Reorganising the sales organisation in Webstep Oslo to increase customer value, enhance scaling capacity and decrease overhead costs
  - Reduced consultants in areas with reduced market demand
  - Reduced overhead
  - Other cost initiatives not related to FTEs
  - Improvement of ratio consultants/sales
- **Cost reductions of minimum 21 MNOK executed with full year effect from 2024**



# Project highlights

*Reinforced on framework agreements, promising AI and knowledge graph initiatives*

- **Leading a consortium of partners, Webstep secured yet another framework agreement - on software development - with Norsk Helsenett**
  - Access to assignments for a wide range of public health institutions
  - Related opportunities through collaboration agreements
- **Webstep enters compliance management through AI engine**
  - Webstep made AI engine has elevated Adept Concept's offering from compliance management to AI assisted, hugely time saving, compliance work
  - Webstep - Adept Concept collaboration agreement signed
- **Enabling interoperability between systems and players across the process and energy industries**
  - POSC Caesar Association (PCA) hire Webstep team on knowledge graphs - for descriptions of physical objects through data
  - Webstep aim to develop PCA's library - a modern, secure, scalable, and advanced data platform



Business review

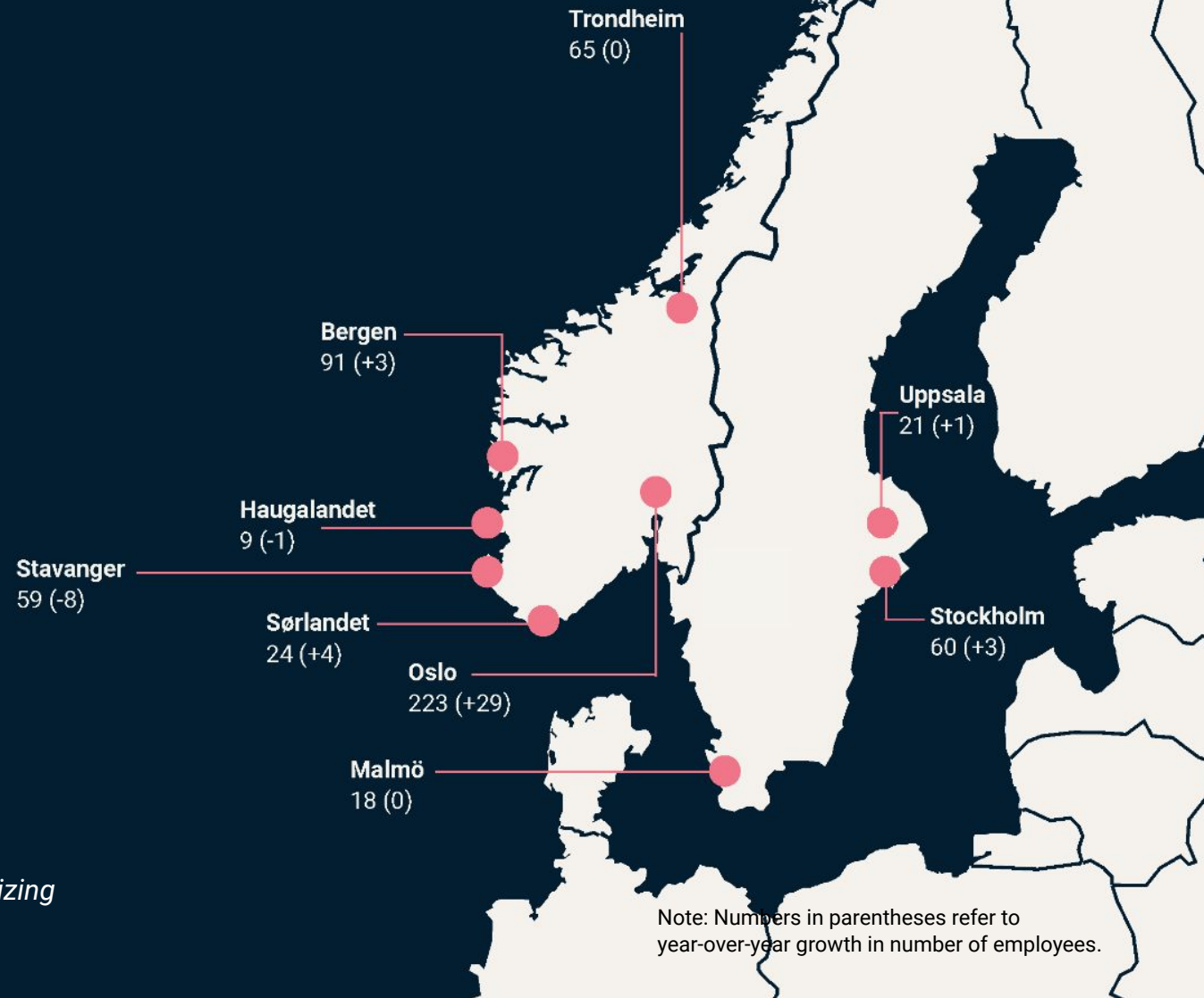




# Organisation and employees

*The Webstep experience going forward*

- **Rightsizing the organisation**
  - Non-billable FTEs - less top heavy
  - Consultants in areas with reduced market demand
- **Enterprise customers**
  - Experienced consultants are key
  - Enterprise market creates employee opportunities
  - Cooperation between locations - cross-sale opportunities
- **570 employees at the end of Q4 2023**
  - Recruitment balanced against profitable growth
  - Experienced consultants key to demanding markets and utilisation



*\*Number of employees at the end of the year not adjusted for downsizing*

Note: Numbers in parentheses refer to year-over-year growth in number of employees.

Financial review



# Key figures - Group

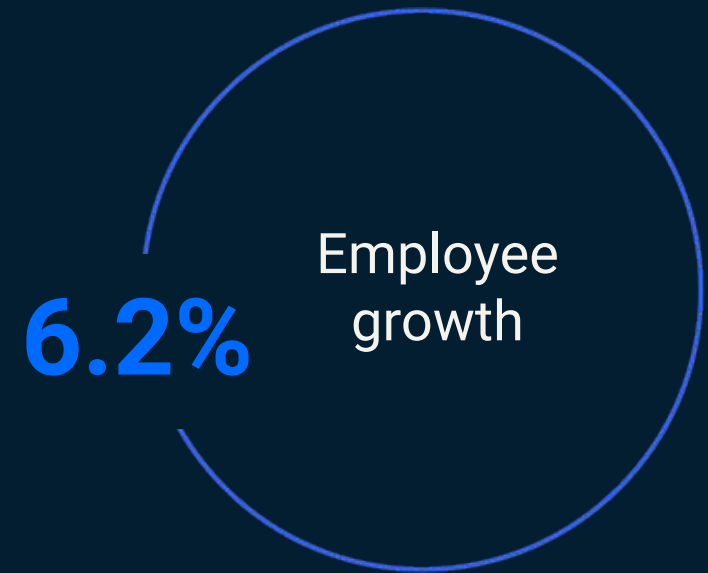
NOK million	Q4 2023	Q4 2022	Y/Y change	FY 2023	FY 2022	Y/Y change
Revenues	<b>262.1</b>	246.4	6.4%	<b>1,000.0</b>	888.4	12.6%
EBITDA	<b>4.1</b>	18.5	(77.6%)	<b>65.7</b>	76.2	(13.9%)
EBITDA margin	<b>1.6%</b>	7.5%	(5.9 pts)	<b>6.6%</b>	8.6%	(2.0 pts)
EBIT	<b>(26.7)</b>	11.8	(326.9%)	<b>18.5</b>	54.6	(66.2%)
EBIT margin	<b>(10.2%)</b>	4.8%	(15.0 pts)	<b>1.8%</b>	6.2%	(4.3 pts)
Net profit	<b>(28.1)</b>	7.8	(462.5%)	<b>3.7</b>	38.4	(90.4%)
Net free cash flow	<b>81.8</b>	35.7	129.0%	<b>71.0</b>	63.3	12.2%
Earnings per share (NOK)	<b>(1.02)</b>	0.28	(460.5%)	<b>0.13</b>	1.40	(90.5%)
Earnings per share fully diluted (NOK)	<b>(1.01)</b>	0.28	(460.8%)	<b>0.13</b>	1.39	(90.5%)
Equity ratio	<b>50.7%</b>	58.0%	(7.3 pts)	<b>50.7%</b>	57.9%	(7.2 pts)
Cash and cash equivalents	<b>75.5</b>	62.3	21.1%	<b>75.5</b>	62.3	21.1%
Number of employees, average (FTE)	<b>572</b>	539	6.1%	<b>561</b>	512	9.6%
Number of employees, end of period*	<b>570</b>	538	5.9%	<b>570</b>	538	5.9%
Revenues per FTE (TNOK)	<b>459</b>	457	0.3%	<b>1,784</b>	1,736	2.7%
EBIT per FTE (TNOK)	<b>(46.7)</b>	21.9	(313.9%)	<b>32.9</b>	106.8	(69.2%)
EBIT adjusted	<b>8.3</b>	11.8	(29.6%)	<b>53.5</b>	54.6	(2.2%)
EBIT margin adjusted	<b>3.2%</b>	4.8%	(1.6 pts)	<b>5.3%</b>	6.2%	(0.8 pts)
EBIT adjusted per FTE (TNOK)	<b>14.5</b>	21.9	(33.7%)	<b>95.4</b>	106.8	(10.7%)

\*Number of employees at the end of the period is not adjusted for downsizing

## Q4 Comments

- **Stable revenue**
  - Revenue from own consultants
    - Q4 235.6 MNOK (+3.4%)
    - FY 2023 905.3 MNOK (+10.2%)
  - Working days: QoQ -1 and YoY -2
- **Top 10 customers** account for 44 % of total revenue
  - Strengthened focus at the enterprise market resulting in renewed trust through comprehensive and long-term contracts
- **EBIT** affected by
  - **One-off costs**
    - Impairment of acquisition related goodwill for Webstep Sweden, 25 MNOK
      - The anticipated value of future results in a declining Swedish market necessitates impairment
    - Downsizing administration and CEO transition, 10 MNOK
  - Temporary increase in employer contribution for Webstep Norway,
    - Q4 4.6 MNOK
    - FY 23 9.0 MNOK

# Norway Q4



# Key figures - Norway

NOK million	Q4 2023	Q4 2022	Y/Y change	FY 2023	FY 2022	Y/Y change
Revenues	<b>224.3</b>	210.2	6.7%	<b>857.7</b>	761.6	12.6%
EBIT	<b>(26.8)</b>	10.0	(368.4%)	<b>17.0</b>	47.7	(64.3%)
EBIT margin	<b>(12.0%)</b>	4.8%	(16.7 pts)	<b>2.0%</b>	6.3%	(4.3 pts)
Number of employees, average (FTE)	<b>471</b>	445	5.8%	<b>459</b>	425	8.1%
Number of employees, end of period*	<b>471</b>	444	6.2%	<b>471</b>	444	6.2%
Number of workdays	<b>63</b>	64	(1.6%)	<b>251</b>	253	(0.8%)
Revenues per FTE (NOKt)	<b>477</b>	473	0.8%	<b>1,867</b>	1,795	4.0%
EBIT per FTE (NOKt)	<b>-57</b>	22	(353.6%)	<b>39</b>	114	(65.5%)
EBIT adjusted	<b>8.2</b>	10.0	(18.4%)	<b>52.0</b>	47.7	9.1%
EBIT margin adjusted	<b>3.6%</b>	4.8%	(1.1 pts)	<b>6.1%</b>	6.3%	(0.2 pts)

## Revenue breakdown

NOK million	Q4 2023	Q4 2022	Y/Y change	FY 2023	FY 2022	Y/Y change
Oslo	<b>101.1</b>	92.3	9.5%	<b>372.7</b>	324.7	14.8%
Regional offices	<b>105.3</b>	105.8	(0.5%)	<b>420.3</b>	393.7	6.8%
Subcontractors/resale of licenses	<b>19.1</b>	12.7	49.7%	<b>68.5</b>	45.7	50.0%
Other / eliminations	<b>(1.1)</b>	(0.6)	77.1%	<b>(3.7)</b>	(2.4)	56.1%

Change in revenues from subcontractors/resale of licenses is mainly due to internal change in accounting.  
Revenue from subcontractors isolated change + 3.5 MNOK Q4, + 12.2 MNOK FY 2023

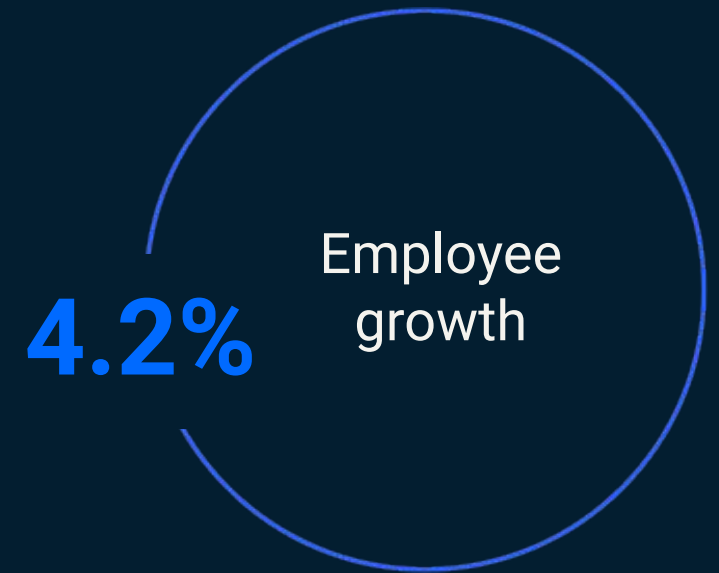
## Q4 Comments

- **Continued, but moderate growth in Q4**
  - Revenue from own consultants
    - Q4 206.4 MNOK (+4.2%)
    - FY 2023 792.9 MNOK (+10.4%)
    - Growth driven by hourly rate and number of consultants
    - Strong growth in Oslo region, up 9.5% QoQ and 14.8% YoY
  - Working days: QoQ -1 and YoY -2
- **EBIT affected by**
  - **One-off costs**
    - Goodwill impairment\*\*, 25 MNOK
    - Downsizing non-billable FTEs and change in management, 10 MNOK
  - Temporary increase in employer contribution, Q4 4.6 MNOK  
FY 23 9.0 MNOK
  - Costs related to reduced number of consultants in areas with lower market demand, 2.0 MNOK

\* Number of employees at the end of the period is not adjusted for downsizing

\*\* See note in Interim Report

# Sweden Q4



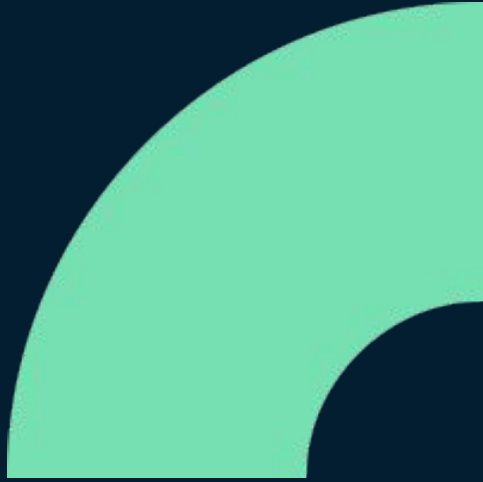
# Key figures - Sweden

NOK million	Q4 2023	Q4 2022	Y/Y change	FY 2023	FY 2022	Y/Y change
Revenues	37.7	36.2	4.3%	142.3	126.9	12.2%
EBIT	0.1	1.8	(92.9%)	1.4	6.9	(79.5%)
EBIT margin	0.3%	4.9%	(4.6 pts)	1.0%	5.5%	(4.5 pts)
Number of employees, average (FTE)	101	94	7.5%	101	86	17.2%
Number of employees, end of period*	99	95	4.2%	99	95	4.2%
Number of workdays	63	64	(1.6%)	251	253	(0.8%)
Revenues per FTE (TNOK)	374	385	(2.9%)	1,404	1,469	(4.4%)
EBIT per FTE (TNOK)	1	19	(93.4%)	13	81	(83.4%)

Revenue breakdown NOK million	Q4 2023	Q4 2022	Y/Y change	YTD 2023	YTD 2022	Y/Y change
Regional offices	29.2	29.7	(1.6%)	112.4	103.0	9.1%
Subcontractors	8.5	6.5	31.3%	29.9	23.9	25.2%

## Q4 Comments

- The deceleration in the market persists with prolonged sales cycles and reduced market demand
- **Revenue** increase through subcontractors
  - Revenue from own consultants MNOK 29.2
  - Working days: QoQ -1 and YoY -2
  - Revenue from subcontractors increased 31.3%
    - Relates to services outside of Webstep Sweden core competencies
- **EBIT** affected by measures initiated following market slowdown
  - Salary commitments in a period of decreased utilisation
  - Costs relating to downsizing of non-billable employees and consultants in areas with reduced demand. Cost of MNOK 0.3 relate to salary commitment for 2024, provisioned for in the 2023 accounts



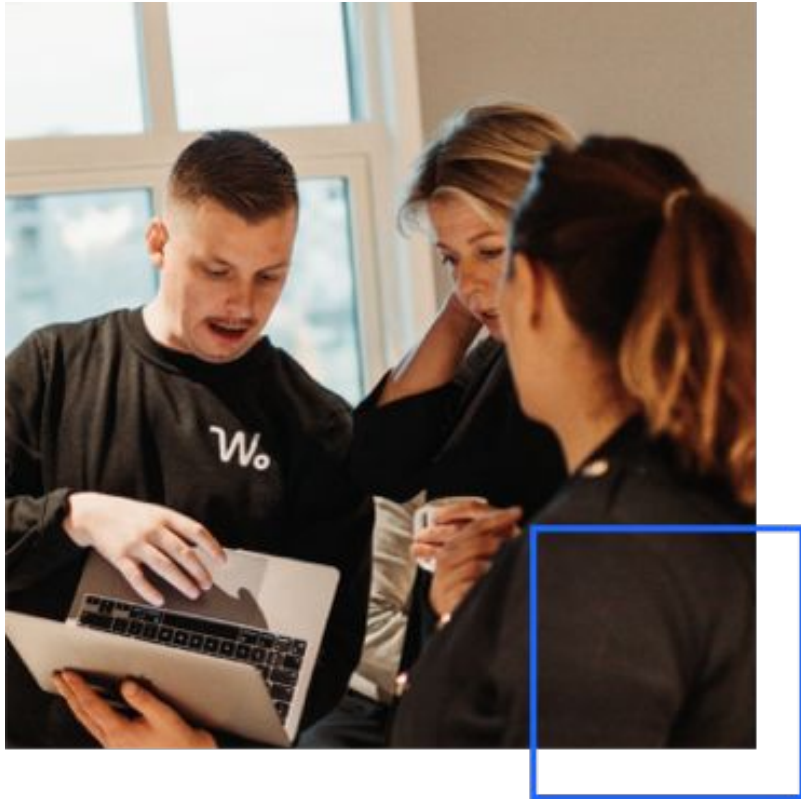
# Market update and outlook



# Webstep market update

- Challenging markets - Sweden hit harder than Norway: Long term trend of digitalisation continues
- Customer base across diversified industries and public sectors
- 44% of Webstep revenue from 10 largest Norwegian customers
- Ready to deliver on important framework agreements recently closed - both prime and in collaboration with other partners
- Trimmed organisation, strengthened and well organised sales force
- AI development creates new opportunities which align well with Webstep's services





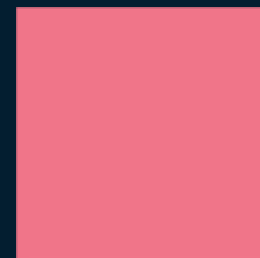
## Outlook

- Firm focus on expert consultants going forward
- Optimizing sales and strengthening focus on enterprise market through streamlined organisation and salesforce
- Focus on large clients with significant digital challenges, has resulted in longer contract assignments
- Intensified and continued focus on cost savings to secure margin improvement - measures implemented and evaluated continuously
- Expect to be approximately 528 employees by end of first quarter 2024. Recruitment balanced against profitable growth
- Long term target for EBIT above 10%

# Questions?

Please contact us at [\*\*ir@webstep.com\*\*](mailto:ir@webstep.com)

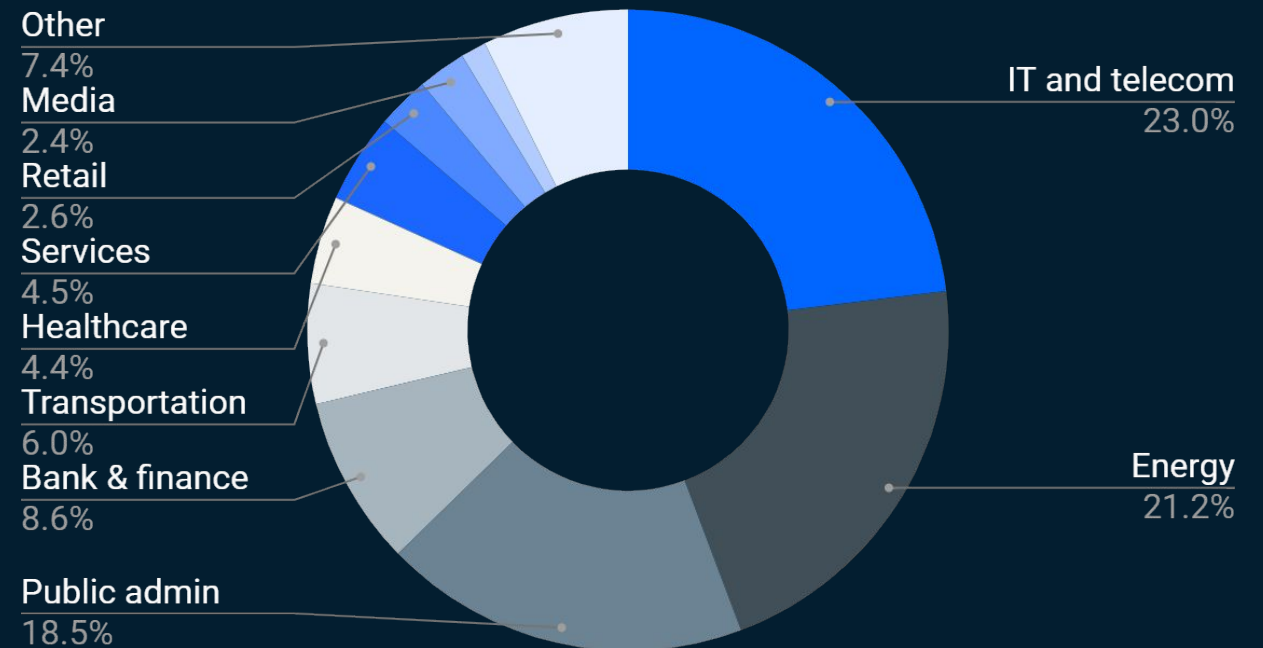
# Appendix



# A diversified customer base

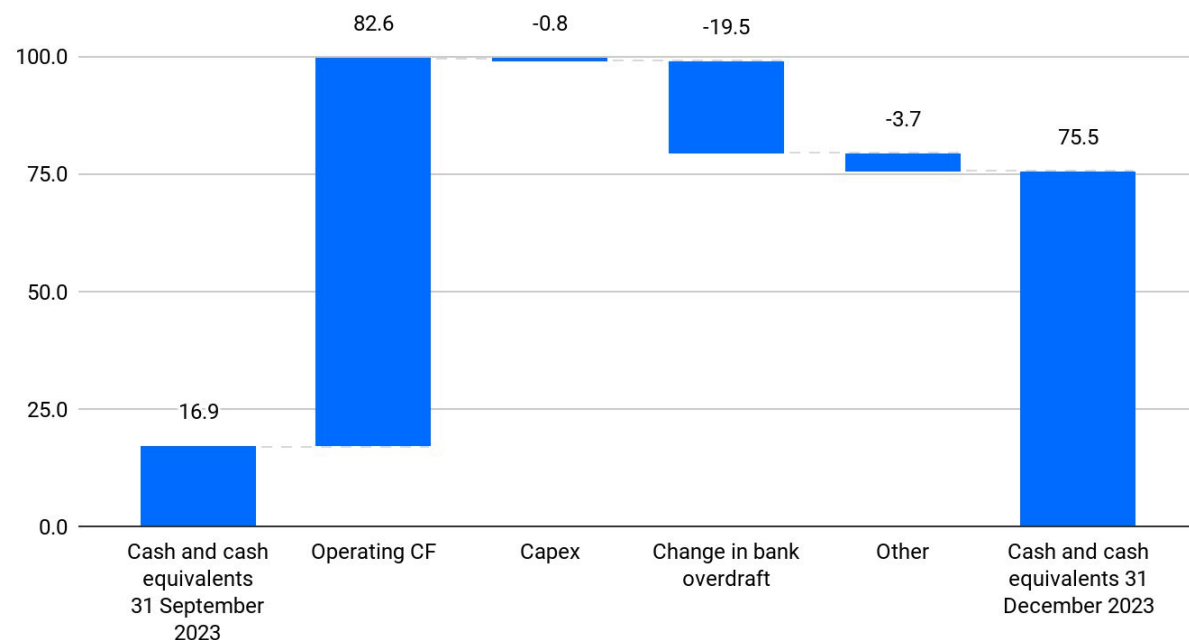


Business Sectors Q4 2023



Top 10 customers account for 44% of total revenues

# Cash flow and net debt



NOK million

31 Dec  
2023

Cash and cash equivalents*	(75.5)
Restricted cash	1.9
Debt to credit institutions	0.0
<b>Net interest bearing debt (NIBD)**</b>	<b>(73.6)</b>
<hr/>	
NIBD/EBITDA (rolling 12 months)	(1.1)
<hr/>	
NIBD/EBITDA (rolling 12 months) Including IFRS 16 Lease liabilities	0.4

Note: \*Negative indicates positive amount.

\*\*Effects related to IFRS 16 (leasing) are excluded.

- The Group has credit facility of MNOK 110 in Norway and SEK 5m in Sweden
- Credit facility was unutilized by the end of fourth quarter
- Capex relates to office and equipment

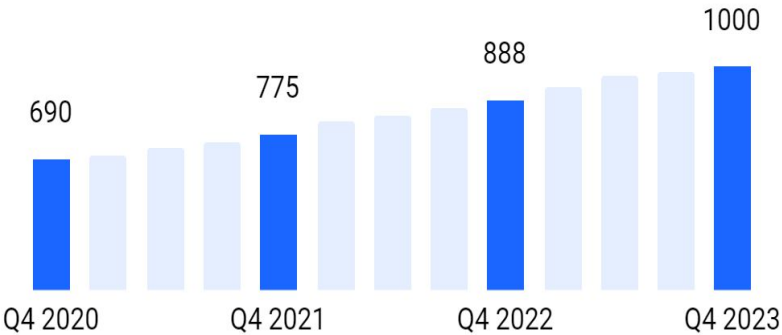
# Top 20 shareholders at 12 February 2024

## Q4 2023

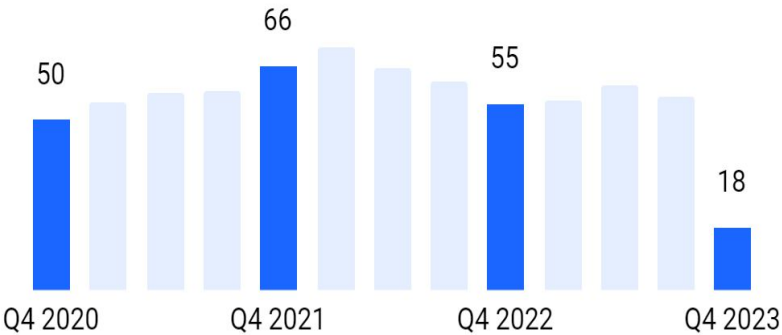
Shareholder name	Shares	%
1 EMBRO EIENDOM AS	8,312,727	30.0 %
2 HVALER INVEST AS	2,002,152	7.2 %
3 J.P. Morgan SE	1,970,890	7.1 % Nominee
4 PROTECTOR FORSIKRING ASA	1,599,110	5.8 %
5 SALT VALUE AS	1,535,258	5.5 %
6 VPF FONDSFINANS UTBYTTE	1,200,000	4.3 %
7 JAKOB HATTELAND HOLDING AS	1,000,000	3.6 %
8 J.P. Morgan SE	900,000	3.3 % Nominee
9 HOLMEN SPESIALFOND	861,524	3.1 %
10 VERDIPAPIRFONDET NORDEA NO	664,317	2.4 %
11 Danske Invest Norge Vekst	542,000	2.0 %
12 INTERTRADE SHIPPING AS	400,000	1.4 %
13 ESPEDAL & CO AS	308,980	1.1 %
14 EUROVEST AS	280,707	1.0 %
15 Bank Pictet & Cie (Europe) AG	232,675	0.8 % Nominee
16 MP PENSJON PK	224,000	0.8 %
17 LEROLI AS	197,281	0.7 %
18 SKEIE ALPHA INVEST AS	155,250	0.6 %
19 Saxo Bank A/S	155,074	0.6 % Nominee
20 BUGS AS	126,736	0.5 %
<b>Top 20 shareholders</b>	<b>22,668,681</b>	<b>81.9%</b>
Other	5,002,278	18.1%
<b>Total share outstanding</b>	<b>27,670,959</b>	<b>100.0%</b>

# Revenue, EBIT and employee development

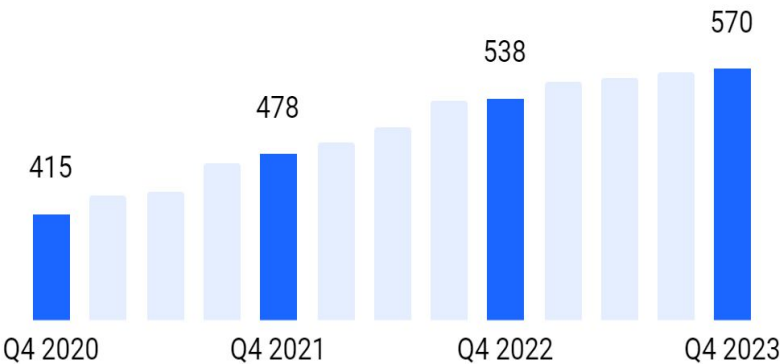
Revenues (LTM)



EBIT (LTM)



Number of employees (EoP)





# Number of employees EoP

Number of employees, end of period	Q4	Q3	Q2	Q1	Q4
Norway	2023	2023	2023	2023	2022
<b>Norway total</b>	<b>471</b>	463	459	455	444
Oslo	223	221	211	205	194
Bergen	91	90	94	92	88
Trondheim	65	64	61	64	65
Stavanger	59	57	62	63	67
Sørlandet	24	22	22	21	20
Haugalandet	9	9	9	10	10
	Q4	Q3	Q2	Q1	Q4
<b>Sweden</b>	<b>2023</b>	2023	2023	2023	2022
<b>Sweden total</b>	<b>99</b>	103	102	102	95
Stockholm	60	62	60	58	57
Malmö	18	19	20	22	18
Uppsala	21	22	22	22	20

*\*Number of employees at the end of the period is not adjusted for downsizing*

# Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Webstep ASA and Webstep ASA's (including subsidiaries and affiliates) lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for Webstep ASA. Although Webstep ASA believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. Webstep ASA is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither Webstep ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.